

The complaint

Mr M and Ms Y complain Advantage Insurance Company Limited (“Advantage”) unfairly declined their claim on their contents insurance policy twice. They say its decisions and customer service have caused unreasonable delays, financial loss and have impacted Mr M’s health.

All references to Advantage includes its agents.

What happened

Mr M and Ms Y took out a contents insurance policy in May 2024. Advantage added an endorsement to their policy as it included cover for their electric bike (“e-bike”) as a specified, high value item. The endorsement said, in summary, Advantage wouldn’t pay any claim for loss or damage resulting from a theft unless the e-bike was secured to an immovable object using a particular lock specified in the terms.

In September 2024, Mr M and Ms Y’s e-bike was stolen from outside a shop. So they made a claim on the policy for the cost of the e-bike. At the time, they say it was locked with the type of lock specified in the policy endorsement.

In October 2024, Advantage declined Mr M and Ms Y’s claim. It said the e-bike wasn’t covered under the policy terms as it could reach a speed of 15.5 miles per hour and it only covered e-bikes with a top speed of up to 15 miles per hour. But after Mr M and Ms Y disputed this, Advantage accepted its terms were incorrect as it wasn’t in line with legislation at the time which allowed the top speed of 15.5 miles per hour for an e-bike. It said there was a misprint in the policy terms.

On reviewing Mr M and Ms Y’s claim, Advantage continued to decline it. It said they’d been unable to verify that Mr M and Ms Y’s e-bike had been secured in line with the terms of the policy. In particular, it said there was no evidence the e-bike was locked with the type of lock specified in the policy terms. But it told Mr M and Ms Y it would reconsider the claim if they could provide proof they owned the lock they said they’d used or they could prove they’d been using the lock that day. For example Advantage suggested obtaining CCTV footage from outside the shop, a witness statement from someone who worked at the shop or a police report confirming the police had seen the footage.

Mr M and Ms Y were unhappy with Advantage’s decision to decline their claim. They didn’t think the evidence they were being asked to provide was fair or reasonable and they didn’t think Advantage had made it clear in the terms that they’d be expected to provide proof of the lock. Mr M and Ms Y also complained Advantage had caused unnecessary delays by initially declining the claim due to the speed of the e-bike. And they highlighted they’d had to chase Advantage when it didn’t do what it said it would – including arranging a call back from a manager and sending policy documentation to them.

Advantage accepted it shouldn’t have declined Mr M and Ms Y’s claim on the basis of the top speed of their e-bike and that this caused unnecessary delay to their claim. It also accepted the customer service provided wasn’t good enough. But it maintained the decision

to decline the claim without proof the e-bike was adequately secured. Ultimately, Advantage offered Mr M and Ms Y £300 as compensation to make up for what had gone wrong. But Mr M and Ms Y didn't accept this as a resolution of their complaint. They said they were out of pocket because of what had happened and the compensation didn't make up for the mental and physical impact on Mr M. So they asked our service to look into things.

Our Investigator didn't uphold the complaint as he thought Advantage had already done enough to make up for the errors it had made and he didn't think the information it had requested to validate the claim was unreasonable. Mr M and Ms Y didn't agree. They highlighted different legislation which they considered Advantage had breached. As the complaint wasn't resolved at that stage, it was passed to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In deciding what's fair and reasonable, I've thought very carefully about everything I've been given by both sides and I've taken relevant law, regulations and good practice into account. And based on what I've seen, I don't uphold this complaint for the reasons given below. I know that will be disappointing to Mr M and Ms Y but I think Advantage has already done enough to make up for what's gone wrong in this case. I'll explain why.

Claim delay and customer service

Advantage initially declined Mr M and Ms Y's claim because it said the e-bike wasn't covered under the terms of the policy due to its top speed of 15.5 miles per hour. But it's since accepted this decision and it's policy terms were incorrect. Mr M and Ms Y think this was an unfair decision and they've said it caused unacceptable delay to the progress of their claim. And I agree with what they've said here.

Mr M and Ms Y made the claim on their policy in September 2024. And due to this error, their claim was delayed by around three months. Considering the value of the e-bike they were claiming for and Mr M's reliance on it to get around, I appreciate this would've caused them a great deal of upset and frustration. Particularly as during this time, Advantage didn't do what it said it would by failing to arrange a call back from a manager and failing to send them policy documentation when requested.

Advantage has offered Mr M and Ms Y £300 to make up for what went wrong here. And having thought carefully about what has gone wrong and how long Mr M and Ms Y were left waiting for, I'm satisfied this offer is fair. I know Mr M and Ms Y have said their e-bike cost them more than the compensation offered so they don't think it's enough. But the compensation is there to make up for the non-financial losses they've suffered as a result of the service provided and I'm satisfied it's in line with what I would've suggested in this case.

Mr M and Ms Y have made several references to various UK legislation when commenting on why they think Advantage hasn't treated them fairly. I've thought about what they've said but, Advantage hasn't relied on the misprinted term in the policy document and it's offered Mr M and Ms Y compensation for the impact what's happened has had on them. So this doesn't make a difference to the outcome of their complaint.

Claim decline

Due to the high value of Mr M and Ms Y's e-bike, Advantage applied an endorsement to their policy which required them to use a specific lock to secure the e-bike to an immovable object

when away from their home. And because Mr M and Ms Y haven't been able to evidence they did have this type of lock or were using it at the time of the theft, Advantage has declined their claim. Mr M and Ms Y don't think that's fair as they say it wasn't made clear in the policy terms they'd need to provide such evidence upon a claim. But I'm not persuaded by what they've said here.

In order to accept a claim on a policy, insurers need to be satisfied the policy terms have been met. And it's not in dispute in this case that the policy terms required Mr M and Ms Y to be using a specific type of lock to secure their e-bike when away from their home. In insurance claims, the onus is on the insured to prove their claim – and that's what Advantage is asking Mr M and Ms Y to do here. That's neither unusual nor unreasonable. So I'm satisfied Advantage has acted reasonably in asking for them to provide evidence the terms of the policy have been met. And as that hasn't been done, I think the claim has been fairly declined.

Mr M and Ms Y don't think the evidence requested is reasonable. But I note Advantage has given them examples of the sorts of information that could be provided and it's said it would consider any evidence they can give.

I understand Mr M and Ms Y are unhappy with the outcome reached by our Investigator as he misunderstood some facts of their case. But I've reviewed their complaint completely afresh, and I am not bound by anything the Investigator has said. And overall, based on what I've seen in this case, I think Advantage has already done enough to make up for what has gone wrong. And I don't think it needs to do anything more.

My final decision

It is my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Ms Y to accept or reject my decision before 25 July 2025.

Nadya Neve
Ombudsman